1947, do not appear to be known sufficiently widely even amongst Government officials. The object of this letter is to set out briefly the obligations not arising from trade transactions which are of special interest to all Indian nationals.

2. All transactions in foreign exchange are subject to the provisions of the Foreign Exchange Regulation Act, 1947, and regulations and instructions issued thereunder by the Government of India and the Reserve Bank of India. The main obligations fall into three classes.—

(1) Use of foreign exchange granted for specific purposes

(2) Opening and operation of foreign currency accounts; and

(3) Miscellaneous, *e.g.*, bringing in or sending out of currency notes, jewellery, gold and silver, travel facilities, etc.,

3. Foreign exchange sanctioned for a specific purpose may be utilised only for the purpose for which it is granted. Where foreign exchange sanctioned for a specific purpose is not utilised fully, the balance must be sold to an authorised dealer, that is, to a bank or a banking company authorised by the Reserve Bank of India to deal in foreign exchange.

4. Under certain conditions persons resident in India are permitted by the Reserve Bank of India to maintain foreign currency accounts with banks in foreign countries. The Bank has granted general permission to persons resident in India to maintain and operate on accounts in sterling or in any other sterling area currency, provided that such accounts were in existence prior to the 8th July 1947 but fresh credits to such accounts require the prior approval of the Reserve Bank of India. Also the opening of new accounts in sterling by persons resident in India requires the prior permission of the Reserve Bank.

5. The general permission granted above does not apply to accounts held in non-sterling area currencies. Residents of India holding balances expressed in U.S. dollars or Philippine Pesos are required to sell their foreign exchange to an authorised dealer in India within one month from the date of acquisition of the exchange against payment in rupees at the current official rate of exchange in terms of Government of India Notification No. 12 (13) F. 1—47, dated the 25th March 1947. Indian nationals resident in India holding an account in any other non-sterling area currency should apply to the Reserve Bank of India for a licence to continue to hold such account. These applications are considered on their merits. In the absence of a licence from the Reserve Bank of India, however, Indian nationals resident in India who are already holding or who may become owners of any foreign exchange should sell the foreign exchange to an authorised dealer in foreign exchange in India.

6. Persons resident in India who are, or become owners of foreign securities are permitted, subject to the Exchange Control Regulations, to hold or retain these securities. Transactions in foreign securities held by residents can only take place with the prior permission of the Reserve Bank of India. Acquisition of foreign securities by purchase require the Bank's prior approval.

7. Government servants who are posted abroad are permitted to open accounts in the country of their residence without the permission of Indian Exchange Control, but credits to such accounts by remittances from India require the prior permission of the Reserve Bank. On return to India of the account holder, the account should be closed and the amount surrendered to authorised dealer in foreign exchange in India.

8. Foreign exchange (both sterling and non-sterling area) at the disposal of residents of India must not be made available to other against receipt of rupees in India, or any other foreign exchange elsewhere as this would be infringement of the Exchange Control regulations if one of the parties to the transaction is resident in India.

9. There are no restrictions as to the amounts of currency notes or coins which may be brought into india by passengers except in the following cases.—

Bank of England Notes	... £. 5 per head.
Straits dollar notes	... $. 45 per head.
Egyptian notes	... E£. 20 per head.
Australian notes	... A£. 10 per head.
Burma and India notes from Burma	... Rs. 100 per head.
Indian coins and one rupee notes from Pakistan and Afghanistan.	Coins Rs. 5 in value per head. One rupee Notes—Nil.

The amounts which are brought into India have to be declared to the Customs authorities. Foreign currency notes brought into India have to be sold to an authorised dealer in foreign exchange in India to facilitate purchase by an authorised dealer without intervention of the Reserve Bank of India, it is necessary to declare the notes on arrival to the Customs on appropriate form 'B', 'BX' which is signed and stamped them in token of verification of the declaration. The n should be tendered to an authorised dealer in foreign exch along with the above form which has been verified by the Customs. The permission of the Reserve Bank is also required for taking out Indian or foreign currency notes exceeding in value Rs. 270 per month.

10. The import or bringing in of gold and silver and the export or taking out of gold require the prior permission of th Reserve Bank. As regards jewellery, the Reserve Bank have granted general permission for any person to take at any one time out of India jewellery to the extent specified below.—

(*a*) Any Acceding State, Hyderabad Pakistan and Chandranagore.	Without limit.
(*b*) Afghanistan, Iran, Persian Gulf Ports, Portuguese territories in India and French territories in India excluding Chandranagore.	Up to Rs. 2,00 value.
(*c*) Any other country or place not mentioned in (*a*) and (*b*).	Up to Rs. 5,0 value.

Securities cannot be exported without the specific mission of the Reserve Bank.

11. Applications for travel outside India are decided by the Reserve Bank of India and should be made to the office of the Reserve Bank nearest to the place in which the applicant resides, preferably through the applicant's bankers. Government servants working with delegations and deputed out will route their applications through appropriate Government channels. Basic travel allowances for Indian nationals for all countries other than the Continent of America and th Philippine Islands have been laid down for the purpose travel abroad for pleasure or personal convenience. Unexpe ded amounts in foreign exchange have to be offered to authorised dealer on return to India.

12. The infringement of any of the provisions of excha control is punishable under the Foreign Exchange Regulat Act, 1947.

Yours faithfully,

G. R. KAMAT,
Joint Secretary to the
Government of Ind

LAW SECRETARIAT

OFFICE OF THE SECRETARY TO THE BOARD MANAGEMENT, MYSORE LOCAL SERVI AND PLEADERS' EXAMINATIONS, OLD PU LIC OFFICES BUILDINGS, BANGALORE.

Dated 1st April 1950.

No. 1. It is hereby notified that persons seeking inform tion from this office in connection with the Mysore Lo Service and Pleaders' Examinations should enclose a d stamped addressed envelope or card. No reply will be s if communications are not accompanied by such envelop card.

By Order,
G. NATARAJAN,
Secretar